

YOUR CLUB

This document is intended as guidance for clubs, both large and small.

Clubs often start as a small group of friends who attract a few, like-minded, modellers and soon, there is a busy club with funds in the bank, bills to pay and fees to collect. As a group of people with a common interest the **club** does not have the right to enter into any contract, lease, or any other legal activity. Any such activities must be signed in the name of an individual person. This means any default of payment or other infringement is entirely on the shoulders of the individual, or possibly the entire committee (if there is one). The individual members could also be drawn into any legal dispute.

If the club is not an incorporated society it does not exist as a legal entity.

Local Bodies and Charities usually require funding applicants to be Incorporated.

An Unincorporated Club;

If the club is not an incorporated society there should still be some rules and guidelines adopted by the club to provide a clear course of action in the event of a dispute within the club.

As a minimum, there should be a set of rules (constitution) that sets out;

- a) How people become members.
- b) How they cease to be members
- c) Election of the management committee.
- d) Holding meetings.
- e) Decision making.
- f) Borrowing or investing money.
- g) Control of finances and accounts.
- h) How to change the rules.
- i) Winding up (Disposal of assets).

A draft constitution is available from the MFNZ Secretary, this can be modified to suit your situation and is available in electronic format.

Incorporation;

This is a fairly simple process, the only major requirement (for some) is a minimum of 15 members *at all times*. An annual statement of accounts must be lodged with the registrar and any amendments to the constitution must be correctly done via a (properly) notified General Meeting of the members. There is a once-only fee charged for registration and there are many sources for guidance and assistance in the preparation of a constitution. (See Assistance and Guidance later in this section)

What is an Incorporated Society?

An incorporated society is a group or organisation that has been registered under the Incorporated Societies Act and, when incorporated, is authorised by law to run its affairs as though it were an individual person. There are a wide range of groups and organisations that have become incorporated societies. These include sports clubs,

social clubs, music and cultural groups, special interest and activist organisations.

Who may form an Incorporated Society?

Any group of 15 or more persons may apply to become incorporated under the Act. This means natural (i.e. individual) persons or other corporate bodies. If some members of your group are Corporate bodies (i.e. incorporated societies, companies incorporated under the Companies Act 1993, charitable trusts incorporated under the Charitable Trusts Act 1957, or a city, district, or regional council), then each of these bodies counts as three persons for the purpose of making the minimum number of 15. [Sections 4 and 29]. An unincorporated body cannot be a member of an incorporated society.

After Registration

Once registered, a society has a separate legal identity as a body corporate with perpetual succession. This means that the society can sign documents by way of its common seal and will continue to exist irrespective of the turnover of its members. Providing the rules and objects permit, the society is capable of undertaking any lawful activity.

To ensure that societies operate as required by the Incorporated Societies Act 1908, members will find it helpful to purchase a copy of the Incorporated Societies Act 1908 and amendments (available from any Government Bookshop) and to familiarise themselves with its contents.

It is important to remember, however, that everything must be done in accordance with the rules and it is expressly forbidden by the Act for a society to carry on any activities that are not permitted by its objects. It is also expressly forbidden to engage in operations involving pecuniary gain. If in doubt, seek legal advice.

Normally, members have no liability for the contracts, debts or other obligations of the society. The only occasion when members can incur liability is if they are involved with the society in operations involving pecuniary gain.

Pecuniary Gain

What is pecuniary gain? No definition is provided in the Act, but for our purposes we can say that pecuniary gain is making a profit with the intention of passing this profit on to some or all of the members of the society. If the society itself retains the profit, this is acceptable. The Act sets out some situations that at first look as though they may breach the rule against pecuniary gain, but are in fact allowed.

It is permissible:

- That the society itself makes a pecuniary gain, unless that gain or some part thereof is divided among or received by the members or some of them.
- That the members of the society are entitled to divide between them the property of the society on its dissolution.
- That the society is established for the protection or regulation of some trade, business, industry, or calling in which the members are engaged or interested, provided it does not engage or take part in any such trade, business, industry or calling, or any part or branch thereof.
- That any member of the society derives pecuniary gain from the society by way of salary as the servant or officer of the society.
- That any member of the society derives from the society any pecuniary gain

to which the member would be equally entitled if not a member of the society.

- That the members of the society compete with each other for trophies or prizes other than money prizes. (Section 5).

Should the society be found to be engaging in operations involving pecuniary gain, both the society and the members are liable to be fined. In addition, all members involved in these operations can be personally liable for the debts and obligations incurred by the society in such operations.

Annual Financial Statements

Section 23 of the Incorporated Societies Act 1908 requires that "Every Society shall deliver annually to the Registrar, in such form and at such time as required, a statement containing the following particulars:

- the income and expenditure of the society during the society's last financial year
- the assets and liabilities of the society at the close of the said year
- all mortgages, charges, and securities of any description affecting any of the property of the society at the close of the said year."

Societies may also include:

- A Receipts and Payments Account which is a summary of all cash transactions for the year.
- An Income and Expenditure Account which compares revenue with expenses for the year.
- A Balance Sheet which shows assets, liabilities and accumulated funds.

In order to prepare a set of Annual Financial Statements it is recommended that, as a minimum, the following records and documents be kept:

- A numbered receipt book with a retained duplicate copy.
- A copy deposit book (used for banking money into a cheque account).
- All current and used cheque books.
- All bank statements.
- A folder or box containing all invoices and payment authorisations.
- A receipts and payments journal.
- A petty cash payments book.

All of these items can be purchased from your local stationery or book shop. The treasurer or any other person authorised by the society in its constitution should issue receipts for all money received and ensure money is banked promptly.

Accounts

At the end of the society's financial year, the treasurer will need to prepare a set of accounts to be presented to the members at a general meeting. This would normally be an annual general meeting. The purpose of this is to obtain the members' approval as required by s.23(2) of the Act. From records kept during the year, the Receipts and Payments account, Income and Expenditure account and Balance Sheet are made up, audited if required and presented at the General Meeting for approval.

Once approved, one copy of the set of accounts must be sent to the Registrar of Incorporated Societies at the office where your society is registered.

These accounts must be accompanied by a certificate stating:

"I certify that the foregoing statement has been submitted to and approved by the members at (a general meeting/the annual general meeting) held on theday of19..... at (Place)
Signed
An Officer of the Society"

The accounts should be typewritten or machine printed on one side of quality A4 paper. They should show the society's full name and the year and date to which they relate.

Assistance and Guidance:

The MFNZ Secretary can assist with a draft constitution and advice on modification to suit your club.

Your local Citizens Advice Bureau has pamphlets on setting up a club and/or an Incorporated Society.

Some City Councils and the Sport and Recreation Council have short seminars on club management that are usually free or at minimal cost.

Funding and Sponsorship

Applying for a grant is actually not a technically hard thing to do. But it can be time consuming as most Trusts and Foundations have a number of requirements that need to be met. If your club records and finance are in order then meeting these requirements will be a matter of gathering the documents. There are two 'golden rules' to follow when it comes to applying for grants; be honest and complete the requirements, especially the follow-up once the money is spent. Your actions impact other members of the modeling fraternity, particularly when you are applying for a grant that has been endorsed by MFNZ. The way you carry through on your grant could impact that Trusts decision on future grants for MFNZ member clubs/groups.

Getting Started...

1. Form a clear idea of what your project is and gather the information that will be required to complete it. Be aware that quotes submitted need to be made within the 4 weeks previous to the grant application.
2. Choose a co-ordinator for your grant application. The less people involved in the application, the better. The chairman will need to be involved at some point and others may seek quotes etc but one person should write the application and communicate with the Trust.
3. Consider how much money your club/group will contribute to the project from your own funds/fundraising activities. Contributions from the club will be viewed positively by the Trust.
4. Ensure your accounts are in order. Have a copy of your audited last year's financial statement, budget, most recent bank statement and a bank generated deposit slip.
5. Review the grant provider options available to your club. There are a huge number of local and national Trusts. Pub related charities are required to have application form available near their gaming machines. Further information can be accessed at your local library, Citizen's Advice Bureau or Internal Affairs Office. The following websites are also helpful: www.fis.org.nz and www.dia.govt.nz

6. Check carefully that the project fits the criteria of the organization you are applying to.
7. The committee needs to pass a resolution in a meeting, that you “will apply to (name organization) for (\$ amount) for (list purpose)”.
8. Read the application carefully and gather all the necessary information. NB:
 - a. You will need at least two quotes in most cases, these will need to be on letterhead and addressed to your club/group.
 - b. The funds need to be spent in New Zealand. Therefore you can not apply for accommodation costs in foreign countries.
 - c. Ensure that you have all the figures eg, building consents, freight etc.
 - d. Make sure you that if have applied for a grant from that organization in the past that the required time has elapsed since the last application was made and that all the ‘end requirements’ were met at that time.
9. Fill out the application; complete every question and make sure all necessary documentation is included.
10. Write a covering letter.
 - Keep it brief.
 - Provide some details and vital statistics of your club, MFNZ including membership numbers. Generally the more people the grant can benefit the better.
 - Outline the project, the expenses and the benefit to the community.
 - Consider all possible benefits for your project and include these. For example will the purchase of new equipment allow the club to help learners in the sport? Will the improvements to your field help to ensure the safety of your members? Think about how many people will benefit from your project. MFNZ has a membership of 2000, think about ways your project may benefit all of those members... it doesn't have to happen just be a possibility. For example the Soaring SIG intends on applying for a grant for 2 F3B Timing systems, one for each island. These will be used for SIG events eg Soarchamps but will also be made available to clubs throughout the country to hold their own events.
 - Remember that most Trusts process a lot of applications, your covering letter is the first thing they read, lengthy, technical, (boring) information in this letter will not help your application. You can include additional information additional to the covering letter if you want, but do so with the possibility in mind that it may not be read, therefore the specifics need to be in the covering letter.
 - If not asked for in the application form also consider including how your club/group will publicise the receipt of the grant eg; Club Newsletter, Model Flying World, Club web pages etc
11. Ensure the application is complete.
12. Make an additional copy of your application.
13. Send it off.
14. Spend any money received within 3 months and if that is not possible ensure you keep in touch with the Trust as to what the hold-up is and when you expect the project to be completed. Money must only be spent on the requirements outlined in your application. In other words if you messed up

and left something out then that is the clubs problem and it needs to wear the cost.

15. Fulfill the 'end requirements'. In most cases this will be some sort of certificate of expenditure or accountability form, including sending copies of invoices/receipts. Ensure that you have your figures correct and that there are no discrepancies between what was requested and what was spent. Any excess funds MUST be returned to the Trust. A letter of thanks should be included with the finalizing of the grant. You may also consider including relevant photos or articles, particularly where the article acknowledges the Trusts contribution to the project.

So to conclude: be thorough, accurate, prompt and professional. Remember how you handle the application effects the likelihood of your own success, and other groups under the MFNZ umbrella now and in the future.

Flying Site Checklist

- 1.** Any proposal for a new flying site shall be in writing, and shall clearly show that the Club has addressed the following points:
 - a.** That the owner, and other existing or traditional users, consent to model aircraft operations.
 - b.** That the site will be operated safely, having particular regard for public access, walkways, car parking zones, nearby dwellings and animals/stock.
 - c.** That the MFNZ restriction on model aircraft not overflying members of the public can be met with a reasonable safety margin, taking into account the local geography. Additional care shall be taken to ensure the trajectory corridor extending from either end of the runway does not intrude on public walkways for at least 200 metres. If the local geography does not allow this, the Club shall have a safety plan, and marshals located to ensure that landings/take-offs do not occur when the public is at risk.
 - d.** That noise will not become a source of complaints. The MFNZ Noise COP offers guidelines on noise levels that may be tolerated and means of reducing the possibilities of complaints. Occupiers of nearby dwellings should be advised/canvassed, and their general agreement sought if possible. A noise mitigation plan shall be written and be available to be implemented as may be required.
 - e.** That model aircraft operations are not incompatible with the general local environment.
 - f.** The Local Authority and District Plan allows for the operation of model aircraft in the proposed new site. (This can be a complex issue and care should be taken before commitment to a new flying field. The MFNZ Council may be able to offer advice in this area.)
 - g.** That model flying is permitted by CAA under the terms of controlled air space. (MFNZ holds information concerning this and can advise concerning applications for dispensations)
- 2.** At least one sketch plan (and preferably 2 or 3 with different scales) of the flying site shall be provided, clearly showing the following details:
 - a.** The location of the proposed site, with either map or GPS co-ordinates.
 - b.** The distance and direction to the nearest existing model flying site.
 - c.** The flight line, runway and pits areas.
 - d.** The car parking and public spectator areas.
 - e.** The estimated airspace zone that will be used, and the prevailing wind(s)
 - f.** The distance and direction to the nearest noise-sensitive building.
 - g.** Natural and man-made hazards, such as power pylons, trees, wildlife.
 - h.** Areas of regular public use, such as: sports and playing fields, walkways, picnic areas and the like.
 - i.** Residential and/or other built-up areas. This includes schools, churches, prisons and other institutions.
 - j.** Areas where stock are grazed. This should also include seasonal restriction, for instance lambing ewes.
 - k.** Areas where RC cars or boats have been known to operate, or may reasonably be expected to operate.
 - l.** The distance and direction to the nearest airport/airfield/aerodrome.

3. Draft club rules and procedures shall be provided.
4. CAA Part 101 contains a number of rules controlling the operation of model aircraft. The latest version of this document must be reviewed (www.caa.govt.nz) to ensure that nothing at the proposed site breaches the CAA rules.
5. The MFNZ Area representative and/or MFNZ Council should generally be contacted for advise when completing this checklist.